

**Review of Contractor Activities on the  
Year 2000 Project**

**Reference No. 090302**

**Date: November 6, 1998**

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## **Executive Summary**

The Century Date Change (CDC) Project Office has secured System Research and Applications (SRA) and Science Applications International Corporation (SAIC) contractors to provide services and products to support the objectives of its Year 2000 conversion efforts. The CDC Project Office has assigned work to each contractor, which is in line with the tasks authorized in the respective contracts. However, we were unable to determine whether the CDC Project Office had effectively utilized contractor support in furthering its Year 2000 conversion efforts.

Due to the lack of adequate documentation maintained by the CDC Project Office, we were unable to fully determine the extent of work assigned, services and products provided, and support for hours invoiced by the contractors. Because contractors were secured by term task orders, there have been varying interpretations about required transaction documentation and accountability of contractor activities. Improved controls over contractor activity will provide more accountability and consistency in the daily administration of contractor work; help in objectively evaluating contractor performance; provide evidence of the effective and efficient utilization of resources; and, demonstrate contributions toward project decision making and goal accomplishment.

The overall objective for this audit was to determine whether the CDC Project Office is effectively utilizing contractor resources to obtain services and products, which support the objectives of the Year 2000 conversion efforts.

## **Results**

We determined that the task orders issued to SRA and SAIC establish, in general terms, the work required by the CDC Project Office which should help them to achieve their project goals. We found that work contracted with SRA and SAIC agrees with the written task orders intended to help facilitate the Infrastructure Strategy and the Enterprise Inventory/Analysis and Validation efforts.

Adequate documentation exists over tasking work to and receiving products from SRA. Further, the Contracting Officer's Technical Representative (COTR) provided proper administrative oversight and maintained copies and/or access to products produced. In contrast, however, the same level of administrative oversight was not maintained over the tasking and monitoring of work assigned to SAIC. For instance:

- Work requests did not: capture the extent of work being tasked; clearly describe the services or products to be provided; specify product acceptance requirements; or, specify product due dates.

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- Contractor activities were not always well documented by the CDC Project Office to substantiate hours invoiced to the Service.

In addition, there is not an adequate separation of duties between individuals authorized to request, approve, and accept resulting SAIC services and products. An adequate separation of duties between the Program Manager (PM), COTR and Technical Points of Contact (TPOC) is essential to ensure activities under this level-of-effort contract are properly administered.

### **Summary Recommendations**

The CDC Project Office should follow Federal and Service guidelines to strengthen administrative controls over contracts. Specifically, we recommend that the CDC Project Office:

- Utilize completion task orders wherever possible to cover definitive and repetitive tasks.
- Ensure work requests are properly approved and clearly define the specific products or services contractors are tasked to provide.
- Use receipt and disposition documentation to account for products or services.
- Periodically obtain time reports for vendor personnel and verify a sample of hours-billed on vendor invoices and reconcile with actual hours worked.
- Establish an adequate separation of duties whereby distinct individuals control authorizing, processing and reviewing activities.

Management's Response: Management agreed with most findings and recommendations in the report and will take the following action. The CDC Project Office and Procurement will review existing tasks to identify any additional work that can be performed using completion task orders. The CDC Project Office and Procurement will also review the processes for defining desired results from contractors and the approval process; identifying any changes to be made and due dates for each change. Further, the CDC Project Office will prepare a monthly report detailing contractor accomplishments.

Although management did not agree that a verification of vendor time reports should be done unless fraud or abuse is suspected, they did state that improved documentation will serve as a tool in certifying that the number of hours recorded should be paid. In addition, the final audit done at the end of each task order will thoroughly examine time cards of vendor personnel.

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In addition, management did not agree with Internal Audit's recommendation of the separation of duties among individuals authorizing, processing and reviewing contractor activities. Management indicated that all of these functions are reserved exclusively for the Contracting Officer (CO) who in turn delegates the duties. The CO often delegates these duties to the COTR and, as such, separating these duties would cause inefficiencies, duplication of efforts, and confusion about responsibilities.

Internal Audit continues to believe that an adequate separation of duties among individuals within the CDC Project Office must be established. Failure to do so adversely affects the ability of the COTR to effectively represent Procurement in overseeing contractor activity.

## **Objectives and Scope**

*The overall objective was to determine whether the CDC Project Office is effectively utilizing contractor resources.*

The overall objective for this audit was to determine whether the Century Date Change (CDC) Project Office is effectively utilizing contractor resources to obtain services and products which support the objectives of the Project Office's Year 2000 conversion efforts. We conducted our review from July 1997 to January 1998 in the CDC Project Office within the Office of the Associate Commissioner for Modernization/Chief Information Officer. Audit work was conducted in accordance with generally accepted government auditing standards. The detailed audit objectives and scope of review can be found in Attachment I.

## **Background**

The CDC Project Office's Year 2000 Deployment Strategy is comprised of four interdependent components: Infrastructure, Enterprise Inventory/Analysis, Application Upgrade Deployment, and Validation. These four areas make up the process for ensuring that all IRS systems are identified, inventoried, analyzed, converted and tested to successfully operate in the Year 2000.

Systems Research and Applications (SRA) was contracted to support the Infrastructure Strategy by providing program and project organizational structures, methods, tools and the environment necessary for century date change activities. Science Applications International Corporation (SAIC) was engaged to support the Enterprise Inventory/Analysis and Validation efforts. The Application Upgrade Deployment component was not a part of this review.

*The CDC Project Office utilized term, level-of-effort contracts to secure services from SRA and SAIC.*

The services and products provided by SRA and SAIC were authorized through term, level-of-effort contracts (task orders) issued against the Treasury Information Processing Support Services (TIPSS) contract. At the

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time of our review, the CDC Project Office had issued four task orders designed to support their efforts. The term task orders were initially issued on July 5, 1996, with SAIC, and July 24, 1996, with SRA.

Under a term, level-of-effort contract, individual task orders establish and describe, at a high level, the tasks and sub-tasks that each contractor could be asked to perform. Work requests are subsequently issued to describe more fully the specific contractor tasks to be completed. These work requests should delineate the work to be performed; and also define required product(s), due date(s), and specific acceptance criteria. These work requests must then be signed and accepted by the Contracting Officer Technical Representative (COTR) and contractor representative before work is to begin.

### Results

*We could not determine whether contractors have been effectively utilized due to inadequate documentation.*

The CDC Project Office has assigned work to each contractor that related to the tasks outlined in their respective contracts. However, we were unable to determine whether the CDC Project Office had effectively utilized contractor support in furthering its Year 2000 conversion efforts. Due to inadequate documentation maintained by the CDC Project Office, we were unable to fully determine the extent of work assigned, services and products provided, and support for hours invoiced by the contractors.

We further noted that an adequate separation of duties was not established within the CDC Project Office over those individuals authorized to request, assign, monitor and accept products and/or services from contractors. Improved controls over contractor activity will provide more accountability and consistency in the daily administration of contractor work. Improved controls will also ensure that adequate documentation is maintained which can be used to objectively evaluate contractor performance, provide evidence of the

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*The Project Office can improve its administrative oversight in tasking and monitoring work.*

effective and efficient utilization of resources, and demonstrate contributions toward project decision making and goal accomplishment.

The assignment and monitoring of work tasked to SRA was well administered and documented by the CDC Project Office. We noted that work requests issued to SRA adequately described the services and products required by the CDC Project Office. In addition, there was not a turnover of COTRs assigned to the SRA contract, which helped ensure proper administrative oversight. In contrast, however, we did not find the same degree of administrative oversight covering the assignment of work to and receipt of products from SAIC. We noted that:

- Improved documentation is necessary for monitoring and evaluating contractor activity, and demonstrating efficient use of resources.
- An adequate separation of duties should be established to ensure proper contract administration.

When these issues were discussed with Project Office management, we were informed that these administrative controls were not specifically required in work requests under a term task order. However, Federal and Service guidelines provide extensive requirements for transaction documentation and accountability similar to completion type task orders.

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### **Improved Documentation is Necessary for Monitoring and Evaluating Contractor Activity, and Demonstrating Efficient Use of Resources**

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During our review, we were unable to determine whether the CDC Project Office provided adequate oversight and monitoring of SAIC contractor activity and therefore effectively used contractor resources in furthering its conversion efforts. Due to the lack of adequate documentation, we were unable to fully determine the extent of work assigned, the services and products



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provided, and support for hours invoiced by the contractors.

The task order format, used by the CDC Project Office to describe required tasks, provides a template for preparing subsequent work requests. This template includes essential information such as a description of the services and products to be provided along with the required due date for completion of the tasks assigned. This information is essential in helping to effectively administer contractor activity. However, we found that the CDC Project Office has not effectively utilized the task order work request format as designed when assigning tasks to SAIC. Work requests, prepared by the CDC Project Office, did not clearly define products or services that the SAIC contractor was tasked to provide. The CDC Project Office has interpreted the requirements for a term task order as not requiring a level of documented control when sound business practices would otherwise provide performance accountability. Specifically, we found adequate documentation lacking as noted in the following examples:

*Task assignments are not always captured in work requests.*

- Task assignments made by the CDC Project Office were not always captured in work requests. For example, the CDC Project Office indicated that SAIC provides products that were a direct result of “hundreds” of undocumented, ad-hoc requests made by the CDC Project Office. Technical Points of Contact (TPOC) and Project Office management work on-line, providing direction and technical information to assist SAIC employees in completing their assignments. As a result, the COTR was not timely notified and work requests did not properly reflect SAIC tasks assigned.

*Detailed product requirements are not adequately specified in work requests.*

- In preparing SAIC work requests, the CDC Project Office did not always describe, in sufficient detail, the products to be provided by the contractor. In 31 of 58 completed products listed in monthly SAIC status reports and provided to the CDC Project Office, the product descriptions did not clearly indicate the

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technical product requirements or which task order sub-task the product supported.

- Work requests did not always specify product due dates. Twenty-seven (48%) of the 56 products required by the first nine work requests (issued against SAIC's second task order) did not indicate a due date.

In addition, contractor activities were not always well documented by the CDC Project Office to substantiate hours invoiced to the Service. Specifically, we found that:

- The CDC Project Office does not maintain adequate documentation necessary to monitor and objectively assess SAIC contractor performance. The CDC Project Office does not track or maintain a list of (delivered) SAIC products or their disposition. Additionally, copies of products are not centrally located or easily accessible within the CDC Project Office.
- COTRs do not compile, tally or match timesheets to contractor invoices to validate the accuracy of the hours billed to the Service. As of October 3, 1997, over \$1.8 million was expended for SAIC's assistance in Year 2000 efforts.

*Working under a term/level-of-effort contract, contractor activities are not adequately documented to substantiate invoices.*

When contracting for services that tend to affect Government decision making and support or influence policy development, an enhanced degree of management control and oversight should be provided.

The "level-of-effort" ("hours") the contractor expends is what the COTR accepts or rejects under a term contract. However, the CDC Project Office must maintain adequate documentation of work being performed on assigned products. The COTR has the critical task of ensuring that the Service gets what it is paying for. The "hours" submitted on invoices consist of the preparation of products and thus the level-of-effort provided by the

contractor. Without a means to track assigned tasks and disposition of products, the ability to accurately substantiate and accurately certify the hours submitted on invoices is uncertain. It is, therefore, imperative that contractor activities be well documented.

### Recommendations

1. The CDC Project Office should strengthen administrative controls over contracts to document the effective and efficient utilization of contractor support. Specifically, we recommend that the CDC Project Office:
  - Utilize completion task orders wherever possible to cover definitive and repetitive tasks.
  - Ensure work requests clearly define the specific products or services contractors are tasked to provide and are approved before products are provided.
  - Use receipt and disposition documentation to account for products. This documentation provides a means to evaluate contractor performance as well as substantiate completed work and its contribution towards project decision making.
  - Periodically obtain time reports for vendor personnel and verify a sample of hours-reported on vendor invoices and reconcile with actual hours worked.

Management's Response: The CDC Project Office and Procurement will review the existing tasks to identify any additional work that can be performed using completion task orders. The CDC Project Office and Procurement will also review the processes for defining desired results from contractors and the approval process; identifying any changes to be made and due dates for each change. Further, the CDC Project Office will prepare a monthly report detailing contractor accomplishments.

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Although management did not agree that a verification of vendor time reports should be done unless fraud or abuse is suspected, they did state that improved documentation will serve as a tool in certifying that the number of hours recorded should be paid. Proper documentation of time reports would make it unnecessary for such close scrutiny. In addition, the final audit done at the end of each task order will thoroughly examine time cards of vendor personnel.

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### **An Adequate Separation of Duties Should be Established to Ensure Proper Contract Administration**

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*The CDC Project Office should establish an adequate separation of duties to effectively manage contractor activity.*

An adequate separation of duties among individuals, within the CDC Project Office, who are authorized to request, approve and accept products and/or services from contractors does not exist. In the administration of the SAIC contract, the Program Manager (PM) supervises the COTR, serves as the alternate COTR and also serves as a TPOC. This structure places the COTR in a subordinate position organizationally, but also responsible to oversee contract administration activities performed by the PM. As a result, the COTR is limited in the ability to effectively represent Procurement in overseeing contractor activity.

*An inadequate span of control allows individuals to both request and accept contractor products and services.*

In the role of TPOC, the PM can request products and services from SAIC and evaluate them for acceptance in support of the COTR's duties. This span of control allows the PM to both request and accept products or services.

We also found that, as a TPOC, the PM and other TPOCs work on-line, day-to-day with SAIC employees and verbally request deliverables, and provide technical information to assist SAIC employees in completing their assignments. The PM keeps abreast of the many requests, and routinely assists SAIC in prioritizing their daily assignments. SAIC is subject to relatively continuous supervision and control by the PM. In this

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*The PM's span of control was established by the CDC Project Manager to streamline contractor activities.*

operating environment however, the COTR is sometimes notified of work assignments after they have been given to SAIC, in effect circumventing the procurement process.

The PM's span of control was established by the CDC Project Manager to streamline contractor activities due to the urgency of Year 2000 conversion efforts. Project Office management explained this structure was established to expedite contractor activity.

A COTR is responsible to represent Procurement in overseeing contractor activity, to include TPOC and PM involvement, as it relates to the contract. As such, the COTR is responsible to ensure that products and services are clearly defined in work requests; to effectively monitor work assigned; and, to substantiate contractor effort billed on invoices.

An adequate separation of duties between the PM, COTR and TPOCs is essential to ensure activities under this level-of-effort contract are properly administered. Due to the PM's given span of control, there is no one independent of his control to determine whether activities performed by SAIC are or are not within the scope of the contract.

## Recommendations

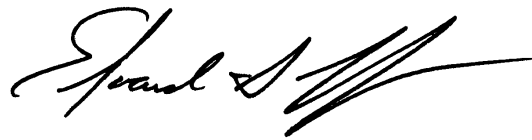
2. We recommend that the CDC Project Office establish an adequate separation of duties whereby authorizing, processing and reviewing contractor activities are controlled by distinct individuals to promote effective controls.

Management's Response: Management did not agree stating that the functions of authorizing, processing, and reviewing contractor activities are reserved exclusively for the Contracting Officer who in turn often delegates these duties to the COTR. Therefore, separating these processes would cause inefficiencies, duplication of effort, and confusion about responsibilities.

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Auditor's Comments: Internal Audit continues to believe that an adequate separation of duties among individuals within the CDC Project Office, who can request, approve and accept products or services must be established. Failure to do so adversely affects the ability of the COTR to effectively represent Procurement in overseeing contractor activity.



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Ed Coleman  
Audit Manager

### **Internal Audit Team:**

Kathy MacMillan, Senior Internal Auditor  
Tony Knox, Internal Auditor  
Melvin Lindsey, Internal Auditor  
Gerard Marini, Internal Auditor

**Detailed Objectives and Scope**

The overall objective of this review was to determine whether the Century Date Change (CDC) Project Office is effectively utilizing both the Science Applications International Corporation (SAIC) and System Research and Applications (SRA) contracts to obtain contracted products and services which meet the goals and objectives of the Year 2000 conversion effort.

- I. Determined how the SAIC and SRA contracts provide support to the CDC Project Office needs.
  - A. Identified the Project Office goals and objectives.
  - B. Examined the SAIC and SRA task orders and work requests to determine whether the scope of work to be performed supports the goals and objectives of the project.
  - C. Reviewed Federal requirements that provide guidance for project office administration of term versus completion type contracts, both which may be suitable for the CDC Project Office contracting needs.
- II. Determined whether the task orders/work requests are being effectively utilized in order to meet the needs of the project as they relate to the CDC conversion effort.
  - A. Reviewed task orders and work requests for both contracts to identify whether they adequately describe the work to be performed.
  - B. Interviewed CDC Project Office staff to identify work being performed by SAIC and SRA.
  - C. Examined a sample of SAIC and SRA products to identify if the products coincide with the requirements provided for in the respective work requests, task orders and needs of the project.
  - D. Evaluated the effectiveness of the project monitoring of the work required in the task orders and work requests to ensure timely completion of products.
  - E. Identified the status of products listed in work requests.

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- III. Evaluated whether the Service is receiving a “value-added” for services and products provided by SAIC and SRA.
  - A. Identified whether there are procedures to review and accept work request products.
  - B. Reviewed task orders and work requests to identify product specifications.
  - C. Determined how products were used in satisfying the needs of the project.
  - D. Attempted to identify the extent of SAIC and SRA products provided to the CDC Project Office and associate a cost-benefit, based on amounts invoiced, to substantiate the value-added by each contractor.
  - E. Examined whether the elements of both contracts provide for any duplication.



## Review of Contractor Activities on the Year 2000 Project

### Attachment II



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

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OCT 1 1998

Chief Information Officer

RECEIVED  
OCT 5 1998

#### MEMORANDUM FOR CHIEF INSPECTOR

FROM:

Toni L. Zimmerman *T. Zimmerman*  
Deputy Chief Information Officer for Operations IS:I

SUBJECT:

Draft Internal Audit Report -- Review of Contractor Activities on  
the Year 2000 Project

The Deputy Chief Information Officer for Systems has reviewed the subject memorandum and provides the management response attached.

If you have any questions, or need additional information, please feel free to call me on (202) 622-0260, or have a member of your staff call Donna Downing on (202) 283-4159.

Attachment

CONCUR:

*Donna Downing*  
for Chief Information Officer IS

10/1/98  
Date

## Review of Contractor Activities on the Year 2000 Project

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### Response to Internal Audit Draft Review of Contractor Activities on the Year 2000

#### Recommendation 1

The CDC Project Office should strengthen administrative controls over contracts to document the effective and efficient utilization of contractor support. Specifically, we recommend that the CDC Project Office:

- Utilize completion task orders wherever possible to cover definitive and repetitive tasks.
- Ensure work requests are properly approved and clearly define the expected products or desired results that contractors are tasked to provide and are approved before products are provided.
- Use receipt and disposition documentation to account for products. This documentation provides a means to evaluate contractor performance as well as substantiate completed work and its contribution toward project decision-making.
- Periodically obtain time reports for vendor personnel and verify a sample of hours-billed on vendor invoices and reconcile with actual hours worked.

#### Assessment of Cause

1. The CDC Project Office will use completion task orders wherever possible, but it is not possible in satisfying most of the current needs. Also, the work performed by SAIC is less suitable to completion task orders than is much of the work done by SRA. In the last paragraph of Page 3, IA references some "Federal and Service guidelines" that seem to establish a higher standard. The Project Office and Procurement are not aware of the guidelines that Internal Audit is referencing.
  2. The CDC Project Office can ensure that work requests are properly approved, and can agree to define the products the Government *desires* (not *requires*) wherever possible. Page 2, 2nd paragraph says, "These work requests should delineate the work to be performed; and also define required product(s), due date(s), and specific acceptance criteria." In a term environment, we cannot **require** deliverables (other than hours alone) or **enforce** due dates. What we *can* do is to set up expectations by putting **desired** deliverables and due dates in work requests. The Project Office would like to establish the fact with Internal Audit that it cannot set up requirements, and agrees to correct its taskings so that these expectations are specified as such.
- Page 4, 2nd paragraph, says, in part, "The CDC Project Office has interpreted the requirements for a term task order as not requiring a level of documented control when sound business practices would otherwise provide performance accountability." Then IA discusses ad-hoc direction consisting of "task assignments that were not always

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### Response to Internal Audit Draft Review of Contractor Activities on the Year 2000

captured in work requests." The validity of this allegation turns on how much latitude is contained in the task order or the work request. For instance, if the task order says that the contractor should accept redirection in the "following" areas relative to the "following" issues from the Program Manager or his named designees only, undocumented ad-hoc direction within these boundaries would be perfectly proper. Still, though, the CDC Project Office should find a way to document the contractor's activities and accomplishments as discussed in Paragraph 2 above. The CDC Project Office agrees that it needs to continue to record the contractor's accomplishments so that it can demonstrate that the government is getting value commensurate with the monies spent, and so that it can approve vouchers.

Success in making deliverables and meeting due dates that are *not able to be required or enforced under the terms of the task order* is not what should be measured. Instead, overall accomplishments should periodically be recorded, even if no quantifiably measurable milestones have been met. These accomplishments should be weighed against the hours consumed, and what is necessarily a subjective judgement should be made as to whether we are getting our money's worth.

3. Page 2, 3rd paragraph says, "Due to inadequate documentation maintained by the CDC Project Office, we were unable to fully determine the extent of work assigned, services and products provided, and support for hours invoiced by one of the contractors." Once again, the work is the hours. The extent of work assigned is thus reflected in the term task order as the number of hours purchased. There should also be a subset estimate of the number of hours that will likely be required under each work request, though this is informational only; the only legally binding specification of the number of hours is contained in the basic task order. As far as the services and products provided, it would be appropriate to record in some fashion what the contractor is doing from week to week against specific work requests, to include any work products that may have been desired and ultimately furnished. This kind of documentation will serve as a tool in certifying that the number of hours vouchered should be paid, and what identifiable benefits we are receiving through the purchase of these hours. Procurement informed the CDC Project Office that it is enough to simply state what the contractor did during a particular week. This can even be initially drafted by the contractor, as long as there is an independent judgement on the part of the CDC Project Office that the activities reported are accurate. Another approach to this is to analyze the monthly reports that are already required to the same end.

4. On page 6, top bullet, IA states, "COTRs do not compile, tally, or match timesheets to contractor invoices (actually vouchers) to validate the accuracy of the hours billed to the Service." This is not a COTR responsibility. If there is a need to check timecards, the Defense Contract Audit Agency (DCAA) is normally requested to perform an interim audit of the contractor. The CDC Project Office can request this through the Contracting Officer, but a timecard audit is part of the final audit that is routinely ordered

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### **Response to Internal Audit Draft Review of Contractor Activities on the Year 2000**

after the task order is complete. Performing an interim audit of timecards is usually requested only when there is specific suspicion of abuse or fraud. Procurement informed CDC Project Office that they are aware of no such suspicions relative to SAIC. Contracting Officers can also request timecard backup for vouchers, but most contractors will refuse such a request, and will refer such requests to DCAA. The issue is, does the government know now whether the hours being furnished are productive hours. This is done by observing and documenting the beneficial results and accomplishments of the contractor's performance.

### **Corrective Actions for Recommendation 1**

1. The Century Date Change Project Office and Procurement will submit a report to the Director, Century Date Change Project Office which will include the following:

- A review of the existing tasks identifying any additional work that can be performed, using completion task orders.
- A review of the processes for defining desired results from contractors and the approval process; identifying any changes to be made and due dates for each change.

2. The CDC Project Office will prepare a monthly report and submit to the Director, CDC Project Office and state what the contractor accomplished each month.

3. No corrective action is needed for part 4 of IA recommendation 1 - "Periodically obtain time reports for vendor personnel and verify a sample of hours-billed on vendor invoices and reconcile with actual hours worked." The Century Date Change Project Office should not obtain time sheets unless abuse or fraud is suspected. Proper documentation should obviate the need to monitor time cards this closely. The final audit will examine time cards thoroughly.

### **Implementation Date**

Completed: \_\_\_\_\_ Proposed: November 1, 1998

### **Responsible Official**

Chief Information Officer IS  
Deputy Chief Information Officer for Systems IS:S  
Director, Century Date Change Project Office IS:S:CD

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### **Response to Internal Audit Draft Review of Contractor Activities on the Year 2000**

#### **Recommendation 2**

We recommend that the CDC Project Office establish an adequate separation of duties, whereby authorizing, processing and reviewing contractor activities are controlled by distinct individuals to promote effective controls.

#### **Assessment of Cause**

Internal Audit has stated a perceived need to separate the requesting, assignment, monitoring, and acceptance of products and services from a contractor. These are functions that are *all* uniquely reserved to the Contracting Officer, many of which are frequently delegated to a COTR who is, as a practical matter, closer to the project. The COTR is *almost always* in the customer's organization. It is unprecedented to separate these functions as a type of check and balance *within* the COTR's range of responsibilities, as IA is recommending. Moreover, implementation of such a recommendation would also cause inefficiencies, duplication of effort, and confusion about responsibilities. Decades ago, the principle was established that a check and balance should exist, but that such a check and balance should exist between the requiring organization and the buying organization. The reason for this was to separate the development of a need from the fulfillment of that need. This is where the potential abuse lies and that's why there is such a check and balance. This is also why there is such a thing as a Contracting Officer, and is why the Contracting Officers are organizationally distinct from customers' organizations. It is unclear to the Century Date Change Office and the Assistant Commissioner, Procurement what the problem is that IA is trying to solve by this recommendation. If there is some abuse of discretion on the part of the COTR, this should be specifically pointed out so that the Contracting Officer can remedy the situation by, in the most extreme case, revocation of the COTR's appointment.

#### **Corrective Actions for Recommendation 2**

No corrective action is necessary for Recommendation 2.

**Implementation Date:** N/A

**Responsible Official:** N/A